title or claiming as a riparian owner has, prior to March 30, 1961, placed valuable improvements upon, reduced to cultivation or occupied any of the lands so offered for sale, or whose ancestors or predecessors in title have taken such action.

(g) The Federal Land Policy and Management Act of 1976.

(1) Section 211 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1721), authorizes the Secretary of the Interior in his discretion to sell at not less than fair market value to the occupant thereof any omitted lands which, after survey, are found to have been occupied and developed for a 5-year period prior to January 1, 1975.

(2) The Act provides that all such conveyances under the Act must be in the public interest and will serve objectives which outweigh all public objectives and values served by retaining such lands in Federal ownership.

(3) Section 208 of the Act (43 U.S.C. 1718) further provides that the Secretary of the Interior shall issue patents subject to such terms, convenants, conditions, and reservations as deemed necessary to insure proper land use and protection of the public interest.

(4) Section 209 of the Act (43 U.S.C. 1719) provides that all patents issued under the Act shall reserve to the United States all minerals in the lands, together with the right to prospect for, mine, and remove the minerals under applicable law and such regulations as the Secretary may prescribe, except as provided by section 209(b) of the Act.

[35 FR 9591, June 13, 1970, as amended at 44 FR 41793, July 18, 1979]

§ 2540.0-5 Definition.

(a) *The act*, when used in this section means the Act of December 22, 1928 (45 Stat. 1069; 43 U.S.C. 1068, 1068a), as amended by the Act of July 28, 1953 (67 Stat. 227, 43 U.S.C. 1068a).

(b) The claims recognized by the Act will be referred to in this part as claims of class 1, and claim of class 2. A claim of class 1 is one which has been held in good faith and in peaceful adverse possession by a claimant, his ancestors or grantors, under claim or color of title for more than 20 years, on which valuable improvements have been placed, or on which some part of

the land has been reduced to cultivation. A claim of class 2 is one which has been held in good faith and in peaceful, adverse possession by a claimant, his ancestors or grantors, under claim or color of title for the period commencing not later than January 1, 1901, to the date of application, during which time they have paid taxes levied on the land by State and local governmental units. A claim is not held in good faith where held with knowledge that the land is owned by the United States. A claim is not held in peaceful, adverse possession where it was initiated while the land was withdrawn or reserved for Federal purposes.

[35 FR 9592, June 13, 1970]

Subpart 2541—Color-of-Title Act

SOURCE: 35 FR 9592, June 13, 1970, unless otherwise noted.

§ 2541.1 Who may apply.

Any individual, group, or corporation authorized to hold title to land in the State and who believes he has a valid claim under color of title may make application.

§2541.2 Procedures.

(a) Application. (1) An application for a claim of class 1 or of class 2 must be filed in duplicate on a form approved by the Director. It must be filed in accordance with the provisions of §1821.2 of this chapter.

(2) Every application must be accompanied by a filing fee of \$10, which will be nonreturnable.

(3) The application must be in typewritten form, or in legible handwriting, and it must be completely executed and signed by the applicant.

(4) Every applicant must furnish information required in the application form concerning improvements, cultivation, conveyances of title, taxes, and related matters.

(b) Description of lands applied for. Application under the act may be made for surveyed or unsurveyed lands. If unsurveyed, the description must be sufficiently complete to identify the location, boundary, and area of the land and, if possible, the approximate description or location of the land by